

- Exports fall 1.6% in 2003
- BC shipments down 2.4% last year
- New vehicle sales stall (-7.3%) in 2003

The Economy

- Exports of BC products were 7.3% lower in December than in the same month of 2002. The drop in the value of exports reflected lower forest (-12.4%), energy (-7.0%), agriculture & fish (-7.6%), and machinery & equipment (-10.8%) exports. Exports of industrial goods were 11.7% higher than in December 2002. Canadian exports were off 5.3% during the same period.

Data Source: Statistics Canada

- Shipments of goods manufactured in the province fell 2.3% (seasonally adjusted) in December. The drop in the value of shipments was largely due to a downturn in the wood manufacturing industry (-6.5%). At the same time, shipments of machinery (-12.1%), computer & electronic products (-19.2%) and electrical equipment (-9.2%) were down from November levels. On a more positive note, paper (+2.5%) producers posted a healthy gain for the second month in a row. However, the food processing industry saw shipments slip (-0.2%) for the fourth time in six months.

Canadian shipments strengthened in December (+1.0%) after two months of decline. Shipments rose in three of the four largest provinces, led by Ontario (+1.5%) and Alberta (+1.0%).

Data Source: Statistics Canada

- Sales of new motor vehicles fell (-8.1%, seasonally adjusted) in December, as car dealers across the country saw fewer new vehicles driven off their lots. Overall, sales were down 9.5% nationally, with all but two provinces (Newfoundland (+8.3%) and Saskatchewan (+2.8%)) posting declines.
- The cost of new housing in BC's two largest cities continued to rise in December. In Victoria, the new housing price index was 10.2% higher than in December 2002. New housing

prices in Vancouver were up 3.9%. Canadian prices rose 5.0%.

Data Source: Statistics Canada

- Housing starts in BC rose 14.6% (seasonally adjusted) in January, following three months of lacklustre performance. Most provinces in the country saw a downturn in home construction activity. For Canada as a whole, housing starts were down 10.9%.

Data Source: CMHC

- The Credit Union Central of BC forecasts real GDP growth to be a moderate 2.4% in 2004. This is slightly lower than the last forecast issued by the BC Ministry of Finance (2.6%).

Data Source: Credit Union Central of BC and BC Ministry of Finance

- The number of BC-based Canadian businesses with employees edged up 0.4% (seasonally adjusted) in last quarter of 2003. This was the 7th quarter (almost two years) of steady growth.

Data Source: Statistics Canada

The Economy: 2003 in Review

- Exports of BC products fell (-1.6%) for the third straight year in 2003, reflecting an ongoing downturn in the forest sector (-10.4%), which accounted for 43% of BC's total exports in 2003. International shipments of machinery & equipment (comprising 13% of the total) were also down (-3.8%), as were shipments of agriculture & fish (-3.3%) and automotive (-43.2%) products. The value of energy exports (+33.1%) soared, boosted by high prices for natural gas. Energy exports accounted for 17% of BC's total international shipments last year, up from just 12% in 1990.
- Canadian exports also slumped in 2003, falling 3.2% as weak international demand and a soaring loonie took a toll on export earnings. Exports of every commodity group except energy (+24.1%) and consumer goods (+0.3%) sagged in 2003. Producers of automotive prod-

Six out of ten British Columbians would like to orbit Earth in the space shuttle

ucts (-9.2%) were particularly hard-hit. Ontario (-7.3%) and Quebec (-6.8%) were responsible for much of the decline, but Newfoundland (-14.0%) and Saskatchewan (-7.6%) saw the biggest percentage drop in export values.

Alberta's export earnings bounced back (+16.5%) in 2003 after slumping in the previous year, as energy exports soared (+31.7%). About 70% of Alberta's exports in 2003 were energy products. The mad cow situation contributed to a 20.4% decline in agriculture & fish products exported from that province.

Data Source: Statistics Canada

- **BC manufacturers shipped \$33.4 billion worth of goods in 2003.** This was 2.4% less than in the previous year, and the lowest level recorded since 1998. Price effects, some of which were related to a strong Canadian dollar, played a big role in the drop in shipments. Much of the province's production is destined for use outside the country, and a high dollar means that BC producers earn less for their products. Wood shipments were down 13.5%, due in part to an 11.2% decline in the price of BC softwood lumber. Producers of pulp and paper products saw shipments rise 4.7%. Food manufacturers increased the value of their shipments 3.7%, but producers of computers and electronic products had another bad year. Shipments slumped (-9.9%) for the third year in a row, falling to their lowest level since 1995. The transportation equipment industry (-15.4%) posted its fourth consecutive decline.

Data Source: Statistics Canada

- **Canadian manufacturers fared marginally better in 2003, with the total value of shipments falling 1.0% during the year.** Manufacturers of transportation equipment posted the second decline (-4.8%) in the last three years, and Canada's computer and electronics industry (-12.9%) sagged for a third straight year. Twelve of the 21 industries in the manufacturing sector saw the value of shipments drop during 2003. The downturn in shipments was localized in only three provinces: BC (-2.4%), Quebec (-2.4%) and Ontario (-1.7%). In the rest of the country, shipments increased in 2003, with Newfoundland (+6.8%) and Alberta (+5.0%) showing the strongest growth.

Data Source: Statistics Canada

- **There were 181,000 new motor vehicles sold in BC in 2003, down 7.3% from the year before.** This follows four consecutive years of growth. Both North American (-8.0%) and overseas (-5.0%) vehicles had lower sales in 2003. The market share of North American manufacturers slipped to just under 77% of new vehicle sales, the lowest level in 10 years.

The market share of trucks (including SUVs, minivans, and other large vehicles) continued to decline, dropping below 50% for the first time since 1995. Skyrocketing gas prices—up nearly 50% over the last six years—help explain the fading interest in large vehicles. However, the market share of trucks and vans is still much higher than in the 1980s, when they typically made up only about 30% of new vehicle sales in BC.

Data Source: Statistics Canada

- **Canadian sales fell 6.2% in 2003, as activity at car dealerships shrank in every province.** BC (-7.3%), New Brunswick (-8.6%) and Ontario (-8.7%) posted the largest declines. The combined market share of the Big Three automakers (Ford, General Motors and Daimler-Chrysler) continued to slide. These manufacturers accounted for just 41% of total car sales in 2003, down from 65% in 1995. However, they continue to dominate the market for trucks and vans, producing 73% of all units sold in 2003, down from 87% eight years earlier.

Data Source: Statistics Canada

- **There were 23,243 new business incorporations in BC in 2003, the largest number of incorporations since 1995.** Business incorporations peaked in 1994 (25,774 incorporations). The slowest year for incorporations was the recession year of 1982 (11,432).

Data Source: BC Ministry of Finance

Science and Technology

- **The federal government spent \$526 million on science and technology in BC in 2001-02.** This was an increase of 10% over the previous year.

Data Source: SC, Catalogue no. 88F0006-XIE

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The B.C. Labour Market in 2003

Employment . . . In 2003, B.C. employment increased by 50,000 or 2.5 per cent from 2002 on an annual average basis. With the exception of 2001, employment in B.C. has increased in every year since 1983.

Employment in the goods sector increased by 5.7 per cent or 22,900 in 2003. All industries in the goods sector saw job gains in 2003 from 2002, with the strongest growth in agriculture, manufacturing, and other primary goods (forestry, fishing, mining, oil and gas).

Employment in the services sector grew 1.5 per cent or 25,400 in 2003. Notable growth was seen in finance and related services, education services, transportation, and professional, scientific and technical services.

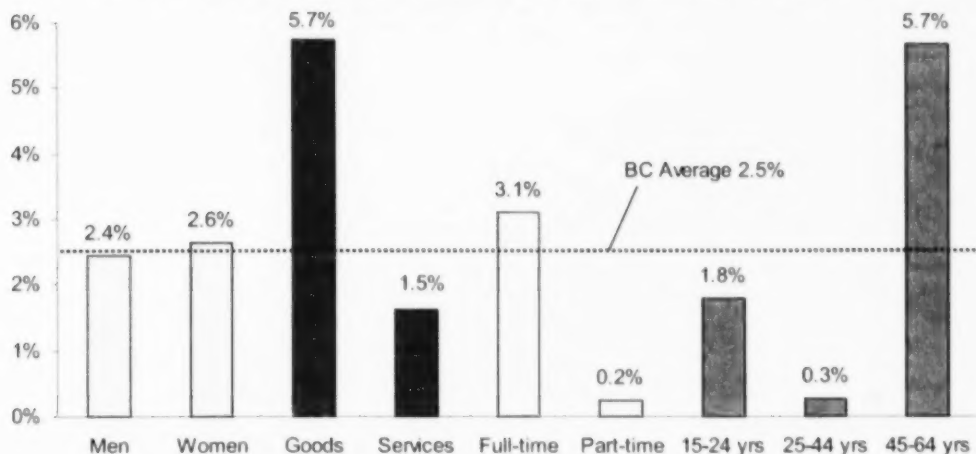
Nearly all of B.C.'s employment increase in 2003 was in full-time employment, with about three-quarters of these gains being among men. Women saw growth of 3.9 per cent in part-time employment, while part-time employment for men fell.

Employment growth of 5.7 per cent for persons aged 45 to 64 was bolstered in part by demographics, as the number of baby boomers entering this cohort strongly exceeded pre-baby boomers leaving the cohort. Youth aged 15 to 24 saw employment growth (up 1.8 per cent). Those 25 to 44 years of age saw their employment levels increase by 0.3 per cent.

Employment and Unemployment Rates During 2003 . . . Figure 2 shows B.C. employment increased throughout most of 2003, with considerable gains seen over the last three months of 2003. Employment gains during 2003 for B.C. added to the overall gains seen during 2002. Perhaps the most encouraging note was the resumption of sustained job gains over the course of 2003, following the modest employment decreases seen in the last six months of 2002.

The unemployment rate in 2003 fell to a low in December of 6.8 per cent, its lowest monthly level seen since May 2001. For the last three months of 2003, the B.C. unemployment rate remained below the 8 per cent level.

Figure 1: Growth in B.C. Employment for Key Variables (actual) 2002 to 2003

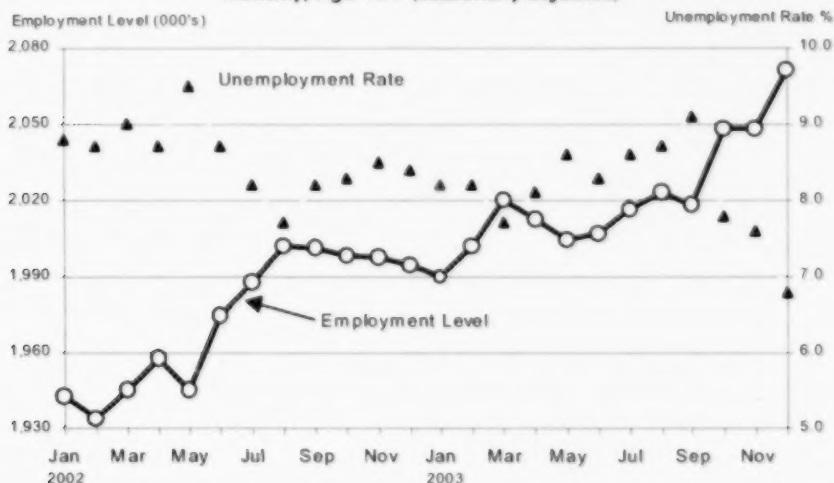


Unemployment Changes in 2003 . . . The provincial annual average unemployment rate fell to 8.1 per cent in 2003 from 8.5 per cent in 2002, which represents a fall of 5,600 in the number of unemployed individuals. With the exception of Quebec and New Brunswick, annual average provincial unemployment rates across Canada were down in 2003.

The annual average unemployment rate in 2003 fell for B.C. men, but was unchanged for B.C. women. The unemployment rate for men fell to 8.3 per cent in 2003, down from 9.1 per cent in 2002. Women saw their unemployment rate in 2003 unchanged from 2002, at 7.9 per cent.

The unemployment rate for B.C. youth (aged 15-24) fell to 14.4 per cent in 2003 from 14.9 per cent in 2002. In 2003, the unemployment rate for female youth was 12.6% vs. 16.2% for male youth. Over the last ten years the labour force participation rate for women aged 15-24 in B.C. has held constant, but has dropped for men aged 15-24. Despite that change, unemployment rates for male youth remain 3 to 4 percentage points higher than for female youth. For male youth compared to female youth, lower scores on standardized secondary school tests, lower post-secondary participation rates, and poorer labour market results, may to be inter-related.

**Figure 2: B.C. Employment Levels and Unemployment Rate
Monthly, Age 15+ (seasonally adjusted)**





Statistics Canada's Survey Skills Workshops

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This workshop teaches the fundamentals of designing and implementing an effective satisfaction survey. The course material will assist researchers in producing respondent friendly questionnaires that result in useful and accurate survey data. The course will also help to provide an understanding of the importance of client and employee satisfaction in strategic decision making and business planning. The unique aspects of this type of qualitative survey enable you to determine your clients' service expectations and their perceptions of your organization's performance.

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- Performance measures
- Client satisfaction vs. employee satisfaction
- Fundamentals of collecting data and maximizing response

Sampling Methods

- Probability vs. non-probability sampling
- Sample types and exit surveys
- The factors affecting sample size

Questionnaires

- Question structure; open and closed questions
- Rating scales
- Questionnaire design; wording, sequencing, and layout

Processing and Analysis

- The "drivers" of satisfaction
- Summarizing, graphing, and presenting survey findings

Date & Location

March 3 – 4, 2004 8:30am – 4:30pm
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Fees

Before February 18th - \$500 + GST
After February 18th - \$550 + GST

Refreshments will be served throughout the day.

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BC at a glance . . .

POPULATION (thousands)			% change on one year ago
		Oct 1/03	
BC	4,158.6		0.8
Canada	31,714.6		0.8
GDP and INCOME			% change on one year ago
(BC - at market prices)		2002	
Gross Domestic Product (GDP) (\$ millions)	135,552		2.7
GDP (\$ 1997 millions)	128,151		2.4
GDP (\$ 1997 per Capita)	31,143		1.5
Personal Disposable Income (\$ 1997 per Capita)	19,576		0.1
TRADE (\$ millions, seasonally adjusted)			% change on prev. month
Manufacturing Shipments - Dec	2,741		-2.3
Merchandise Exports - Nov	2,268		-2.8
Retail Sales - Nov	3,414		0.2
CONSUMER PRICE INDEX			12-month avg % change
(all items - 1992=100)		Dec '03	
BC	120.9		2.2
Canada	122.8		2.8
LABOUR FORCE (thousands)			% change on prev. month
(seasonally adjusted)		Jan '04	
Labour Force - BC	2,236		0.6
Employed - BC	2,072		0.0
Unemployed - BC	163		8.1
		Dec '03	
Unemployment Rate - BC (percent)	7.3		6.8
Unemployment Rate - Canada (percent)	7.4		7.4
INTEREST RATES (percent)		Feb 11/04	Feb 12/03
Prime Business Rate	4.25		4.50
Conventional Mortgages - 1 year	4.30		4.90
- 5 year	6.00		6.60
US/CANADA EXCHANGE RATE		Feb 11/04	Feb 12/03
(avg. noon spot rate) Cdn \$	1.3179		1.5287
US \$ (reciprocal of the closing rate)	0.7611		0.6539
AVERAGE WEEKLY WAGE RATE			% change on one year ago
(industrial aggregate - dollars)		Jan '04	
BC	676.81		-0.4
Canada	673.55		2.3

SOURCES:

Population, Gross Domestic Product, Trade,
Prices, Labour Force, Wage Rate } Statistics
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics
For latest Weekly Financial Statistics see www.bankofcanada.ca

BC College and Institute Student Outcomes

The BC College and Institute Student Outcomes (CISO) Survey Project is an annual province-wide survey of former college, university college, and institute students. Since 1988, this survey has asked former students to evaluate their educational experiences and to talk about their employment outcomes, further education, and personal development. Survey findings provide a rich source of information for post-secondary institutions, the Ministry of Advanced Education, students, and the general public.

Visit the BC Student Outcomes website:

<http://outcomes.bcstats.gov.bc.ca/>

Released this week by BC STATS

- Labour Force Statistics, January 2004

Next week

- Consumer Price Index, January 2004
- Exports, December 2004